

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

OIL CONSERVATION DIV.  
NEW MEXICO  
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IN THE MATTER OF THE APPLICATION  
OF MANZANO OIL CORPORATION  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 12094

**APPLICATION**

MANZANO OIL CORPORATION ("Manzano"), through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in all formations developed on 40-acre spacing underlying Lot 15 of irregular Section 3, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, and in support hereof states:

1. Manzano is a working interest owner in Lot 15 of irregular Section 3, and Manzano has the right to drill thereon.
2. Manzano proposes to drill its Quarry Well No.1 as a wildcat well at a standard location 3526 feet from the South line and 2095 feet from the East line of said Section 3 to test the Strawn formation.
3. Manzano has sought and been unable to obtain either a voluntary agreement for pooling or farmout from certain interest owners in Lot 15 of said Section 3.
4. Said pooling of interests and the drilling of the proposed well will avoid the drilling of unnecessary wells, will prevent waste and protect correlative rights.
5. In order to permit Manzano to obtain its just and fair share of the oil and gas

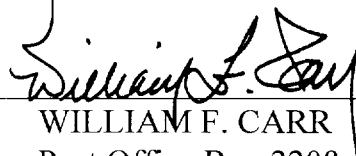
underlying the subject lands, all mineral interests should be pooled, and Manzano should be designated the operator of the well to be drilled.

WHEREFORE, Manzano Oil Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 1998, and, after notice and hearing as required by law, the Division enter its order pooling the subject spacing and proration units, including provisions designating Manzano operator of the well and spacing unit, authorizing Manzano to recover its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by Manzano in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE,  
& SHERIDAN, P.A.

By: \_\_\_\_\_



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ATTORNEYS FOR MANZANO OIL  
CORPORATION

CASE 12-094

Application of Manzano Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 40-acre spacing underlying Lot 15, from the surface to the base of the Strawn formation, in irregular Section 3, Township 16 South, Range 36 East. Said units are to be dedicated to the proposed Quarry Well No. 1 which will be drilled at a standard location 3526 feet from the South line and 2095 feet from the East line of said Section 3. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located in the City of Lovington, New Mexico.

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